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Crawling with Bugs

The embassy spy scandal widens, affecting Marines and diplomats



Where would it end? The Marine spy scandal that had started with a lonely U.S. embassy guard confessing he had succumbed to the charms of a beautiful Soviet receptionist in Moscow had escalated into what appeared to be one of the most serious sex-for-secrets exchanges in U.S. history. Not only had the Marine's partner been charged with helping him let Soviet agents prowling the embassy's most sensitive areas but last week a third Marine sentinel was accused of similar offenses. A fourth Marine, stationed at the Brasilia embassy, was taken to Quantico, Va., for grilling about espionage. Several others were recalled from Vienna. More accusations of spying were expected to be filed this week in the still unfolding saga.

The latest jailing, of Sergeant John Weirick, 26, spread the contamination to the U.S. consulate in Leningrad, where Weirick, too, allegedly permitted KGB agents to enter at the urging of a Soviet woman. That prompted the State Department to cut off all electronic communications with the consulate and order the recall of the six-man Marine contingent in Leningrad, as it had earlier recalled the 28-man detail at the Moscow embassy. Ominously, Weirick's alleged collaboration with the KGB occurred in 1982, four years earlier than the Moscow treachery, indicating a long-standing security breach.

Weirick, who was arrested at the Marine Corps Air Station in Tustin, Calif., later served at the U.S. embassy in Rome, where other members of the Marine guard must now be questioned. As more than 70 gumshoes from the Naval Investigative Service set about the numbing task of locating, grilling and polygraphing every one of the more than 200 Marines who have served at the Moscow and East European embassies in the past decade, they discovered that all but a few of the first 50 they quizzed flunked questions about fraternizing with local women.

The proud U.S. Marine Corps, whose often heroic Leathernecks had long boasted of being nothing short of the best, was confounded. "We've now got to operate on the thesis that this is possibly an endemic problem in the Marines," said a senior officer at the Corps's Washington headquarters. Declared another officer:

"I'm stupefied, flabbergasted. We just never thought something like this could happen." So battered was the Corps that Marine Major General Carl Mundy resorted to an otherworldly defense when grilled by a House committee. He paraphrased the optimistic—and now ironic—Marine hymn: "If you look on heaven's scenes, you'll find the streets are guarded by United States Marines."

As members of Congress expressed bipartisan outrage, President Reagan ordered Secretary of State George Shultz to protest the Soviet penetration of the U.S.

embassy directly to Foreign Minister Eduard Shevardnadze when the two begin talks this week on a treaty to eliminate intermediate-range missiles in Europe. The President also set in motion half a dozen seemingly redundant investigations into embassy security.

But Reagan and Shultz would not accede to a Senate resolution calling for the Secretary to postpone his Moscow trip until security problems were resolved. Shultz conceded that the espionage throws a "heavy shadow" over U.S.-Soviet relations. But Reagan declared, "I just don't think it's good for us to be run out of town." The Administration's priority, he told the Los Angeles World Affairs Council, is the "pursuit of verifiable and stabilizing arms reduction." The President even repeated his invitation to Soviet Leader Mikhail Gorbachev to come to the U.S. for a summit: "The welcome mat is still out."

Nevertheless Shultz, who last week accepted ultimate chain-of-command responsibility for the embassy problems, was in the difficult position of flying into Moscow accompanied by a special communications van to help replace the compromised facilities at the U.S. embassy. Even the "Winnebago," as it became known, may not protect him. When checking the supposedly secure trailer in Washington for emissions at frequencies believed used by the sophisticated Soviet bugs planted in the U.S. embassy, technicians found, according to one, that the Winnebago "radiated like a microwave." Similar vans have long accompanied U.S. Presidents abroad, raising the possibility that their communications back to Washington may have been overheard.

The pervasive spy scandal was an embarrassment for an Administration that has proclaimed its security consciousness

and advocated wider use of lie-detector tests among federal employees to protect secrets at home. Administration officials, and the State Department in particular, displayed a curiously casual attitude toward the vulnerability of its embassies to Communist snooping.

Washington was aware of the problem: White House sources say the issue has been raised repeatedly in recent years. Before the Geneva summit in November 1985, the senior White House staff received a National Security Council briefing on the Soviet Union's techniques for electronic surveillance and, for what is a prudish culture, its blatant use of sexual entrapment. The President's Foreign Intelligence Advisory Board has issued at least three reports on the subject and personally briefed Reagan last spring on the vulnerability of the Moscow embassy. But all these initiatives died. White House aides contend, amid bureaucratic sluggishness and even outright resistance on

the part of the State Department.

Indeed, the high-tech proliferation of miniaturized, and in some cases virtually undetectable, eavesdropping devices seems to have promoted a defeatist we'll-have-to-live-with-bugs attitude. "Our security people have always looked upon our buildings as loaded with bugs," explained a former foreign service officer, who dismissed sexual entrapment as just another professional hazard. Such complacency may have contributed to what a high State Department official described as this "first-class mess."

It will take months to assess the precise damage inflicted by the spying, but a senior White House official has already declared, "These cases taken together are likely as significant as the worst hits of the past." They were at least as serious, he claimed, as the Navy's Walker-family spy ring, the sale of secrets by the National Security Agency's Ronald Pelton and the defection of former CIA Employee Ed-

ward Howard. The damage could extend far beyond matters related to the Soviets. The Moscow embassy is on the distribution list for a wide range of foreign policy material, including details of U.S. negotiating positions in the Geneva arms talks, background on Nicaragua policy, Middle East affairs and relations between the U.S. and its allies. The CIA has its own communications facilities in Moscow, and the agency is assuming that these too were compromised.

As the scandal spread, U.S. diplomats were rendered almost mute in their enclaves in Eastern Europe, reduced to writing sensitive messages in longhand. Even in non-Communist countries, the uncertainty of who might be listening turned U.S. envoys into near paranoids. On a trip

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in Southern Africa, Assistant Secretary of State Chester Crocker refused to send any reports to Washington until he could do so personally. "It's incredible the impact of this on all of us," said a State Department official. In an age of wondrous globe-spanning communications, the superpower that pioneered the technology found its creations turned against it.

The treasonous acts attributed to the Marine guards were bad enough. But most of Washington was also belatedly aroused by the long-known and festering problem of the new U.S. embassy compound in Moscow, which was nearing completion when work was halted in 1985. Built from prefabricated sections produced off the site—and out of sight of any U.S. inspectors—the chancery, not surprisingly, was found riddled with embedded snooping gear. Charged Texas Republican Congressman Dick Armey: "It's nothing but an eight-story microphone plugged into the Politburo."

Reagan vowed last week that the Soviets will not be permitted to occupy their new embassy on Mount Alto in Washington until security can be assured for the U.S. in its new Moscow quarters. He conceded that the red-brick U.S. chancery, whose walls are already water-stained because of its unfinished roof, may be so bug-ridden that it will have to be demolished. The entire complex, which includes 114 occupied residential units and recreational facilities, had been budgeted at \$89 million. The cost when it is finished, apart from the electronic cleansing, is now projected at \$192 million.

Former Secretary of Defense James Schlesinger is due to report in June on what should be done with the porous white elephant. Reagan has appointed a commission headed by Melvin Laird, another former Defense Secretary, to suggest ways out of both the new embassy dilemma and the penetration of the current chancery. The high-powered panel will include former CIA Director Richard Helms and former Joint Chiefs Chairman General John Vessey. Four other groups, including the Foreign Intelligence Board, are investigating aspects of the scandal. Former CIA Official Bobby Inman last week offered a novel solution for the bugged building: Americans should "very carefully" construct three secure floors on top of it.

On Capitol Hill, Republican Senators Robert Dole and William Roth introduced a tough package of anti-espionage measures that would require the President to negotiate a new site for the U.S. embassy in Moscow by Oct. 31. If the Soviets did not provide such a site, including security guarantees, they would be required to vacate their entire new Mount Alto compound in Washington.

As Republicans took the lead in berating the Administration for the security fiasco, Indiana's Senator Richard Lugar released a report compiled by the Senate Foreign Relations Committee last year while he was chairman. It charged the State Department with "poor management and coordination" in protecting embassies against Soviet penetration. Lugar called on the White House to suspend the construction of new embassies in Bulgaria, Czechoslovakia, East Germany, Hungary and China until the embassy security investigations are completed.

Congressional anger was dramatized by a showboating but nonetheless revealing jaunt to Moscow by Democratic Congressman Dan Mica of Florida, chairman of the House Subcommittee on International Operations, and its ranking Republican, Maine's Olympia Snowe. Accompanied by a TV crew and four aides, they barged into the old embassy around midnight and approached the Marine guard in his glass cubicle. "May I see some ID, please?" the sentry asked politely. He examined passports, logged names, made a phone call, then issued visitors' ID cards. "Is this the place where Lonetree worked?" Snowe asked an embassy official. She referred to Sergeant Clayton Lonetree, the first Marine to be arrested. The official hesitated, then offered a shrewd answer: "Er, in principle, yes."

After a two-hour tour of the building and two days of interviewing, the legislators proclaimed the embassy not only "grossly inadequate for security purposes" but a "firetrap." Back in the U.S., Mica was blunter. "It's an absolute security disaster," he told TIME. Ever since Lonetree was arrested, he said, embassy personnel have been communicating secret information in writing, often on children's erasable slates. Even then they shield their messages from suspected hidden cameras. Any notes on paper are promptly shredded.

The embassy's security "bubble" and its massive vault have been declared off limits to U.S. officials for classified conversations since these areas were broken into by Soviet agents. Two new secure rooms have been hastily erected for Shultz's use, one of them described by Mica as similar to a "walk-in cooler, 8 ft. by 10 ft., each with a folding table and a

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dozen chairs." Surprisingly, blueprints for these new rooms had been posted openly on an embassy wall. Mica estimated the cost of clearing bugs and replacing compromised gear at more than \$25 million.

After talking to a third of the 28 Marine guards, whose replacements have been held up by Soviet delays in issuing new visas, Snowe found them "depressed, humiliated, surprised, angry." Many, she said, realize that there had been a "total breakdown in discipline." Security was lax and "everybody at the embassy knew it," charged Snowe. If true, part of the blame had to fall on Arthur Hartman, the Ambassador who left the post in February.

While admitting some of their own failures, the guards claimed they were being used as scapegoats for the lackadaisical attitude toward security shown by diplomatic personnel. Snowe said the Marines had reported finding 137 violations last year, including open safes and classified papers left exposed. Conceded a Washington source: "One unfortunate result of this mess will be further alienation of the Marines and the State Department types."

Some guards insisted that the embassy civilians were also guilty of fraternizing with Soviets. The rules against fraternization in Soviet bloc nations require all embassy employees, from the Ambassador to the Marine guards, to report any "contact" with a national of the host country in an "uncontrolled" situation. The rule breaking allegedly made it easy for Violetta Seina, a former receptionist at the U.S. Ambassador's residence, to seduce Lonetree into letting the KGB enter the embassy. He claimed to have met her on a Moscow subway, although she attended the annual Marine ball at the embassy. Galina (her last name was not revealed), the cheerful Soviet cook at Marine House, had easy access to Corporal Arnold Bracy, the guard she allegedly befriended. Amid widespread rules violations, so far only Staff Sergeant Robert Stufflebeam, 24, has been charged solely with fraternization.



Facing charges: Lonetree and Bracy, top
Stufflebeam and Weirick

According to Navy investigators, Lonetree's pride in his love affair with Seina led indirectly to his arrest. In this account, he and an unidentified corporal visited Stockholm together last year and went on a drinking binge in the Marine quarters at the U.S. embassy there. The booze loosened Lonetree enough for him not only to describe his passion for Seina but also to reveal hints of a KGB connection. Later, when the two drinking buddies met in Vienna, where Lonetree was posted after Moscow, they enjoyed another blast. This time Lonetree allegedly mentioned Bracy's involvement as well.

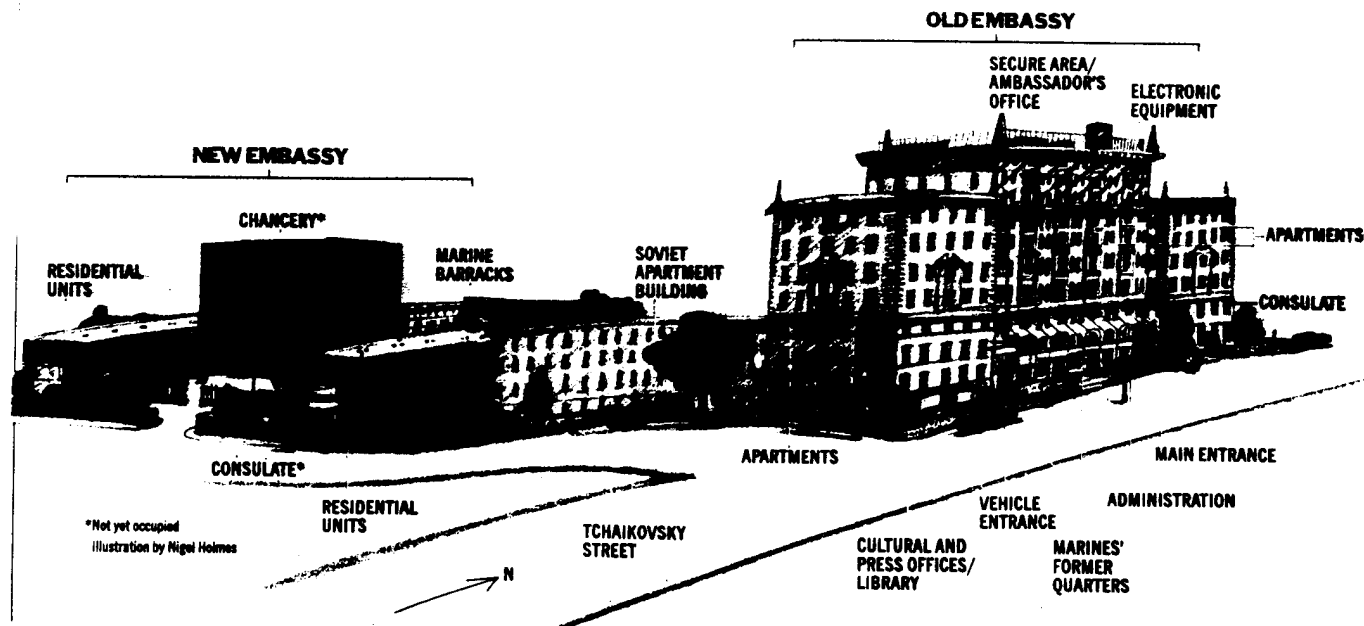
Weirick also was alleged to have been led to the KGB by several women he encountered while stationed at the Leningrad consulate. He left Leningrad in 1982 and was transferred to Rome, where investigators contend that he bragged to a colleague of having earned some \$350,000 from the Soviets.

Family members and associates of the accused embassy guards insist that military investigators have vastly exaggerated the espionage charges. "They are convinced they've got a major Russian spy on their hands," said one kinsman. "What they've got is a horny Marine." In Santa Ana, Calif., Lawyer Michael Sheldon, who had earlier represented Weirick on a drunk-driving charge, said the accused spy "certainly didn't seem to be a man of great means. He paid his fees on the slow-fee plan. Sometimes he missed a payment."

In New York City, Bracy's parents claimed their son had reported improper advances by the Soviet cook Galina. "He turned that woman over to his superiors three times, but nothing happened," said Theodore Bracy. "They're throwing my son to the dogs." Bracy's mother Frieda agreed, claiming, "They're making him a scapegoat."

William Kunstler, the radical New York lawyer who has defended Native American activists, has volunteered to represent Lonetree, whose mother is a Navajo and father a Winnebago. Kunstler claims Bracy was offered immunity in the Navy's attempt to build its case against Lonetree but that Bracy had refused to accept it. Navy investigators concede that their cases have been built largely with lie detectors and must be strengthened. Kunstler goes further: "The case is a consummate hype and fraud," he charged. "They're trying to make Clayton and, I suspect, Bracy too scapegoats for their lax supervision." He said he wants the case taken away from the military and handled in federal courts, where, unlike a court-martial, there is no death penalty for peacetime espionage. "They want to hang Clayton," Kunstler declared. "There's no question about it."

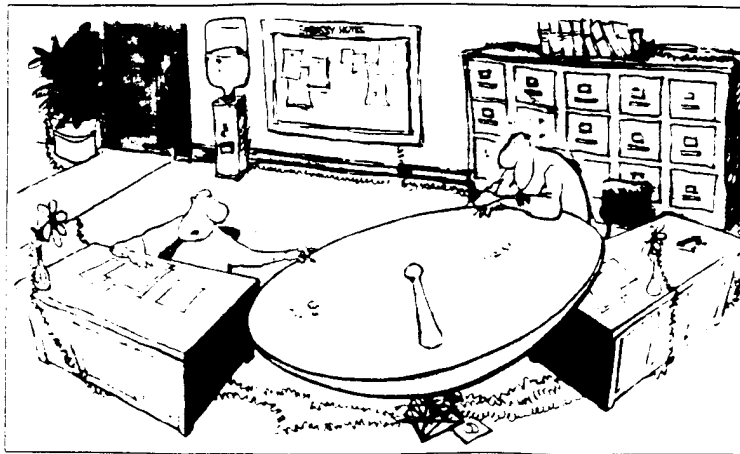
The Soviets denounced the espionage allegations as "unfounded, clearly far-fetched allegations." Displaying their new fondness for press-agentry, Soviets in Moscow responded with a press conference at which snooping gadgets, including micro-



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phones, optical devices and transmitters were displayed. All, claimed Soviet Foreign Ministry spokesmen, had been retrieved from Soviet missions in New York, Washington and San Francisco, sometimes even from bedrooms. Quipped Deputy Spokesman Boris Pyadyshev: "The desire to know Soviet citizens better is understandable—but not in the bedroom."

At week's end the Soviet diplomats in Washington trumped their Moscow colleagues by offering an unprecedented tour of the Mount Alto facility to display what they said were American bugging devices. As some 100 reporters and cameramen crowded into an unfinished embassy reception room, Embassy Security Officer Vyacheslav Borovikov clambered up a scaffold and pointed to a small cavity in the marble facing where, he said, a microphone had been planted. Similar



"I don't know, Boswick, maybe Moscow's just getting to me... but have you ever wondered about this ashtray?"

hiding places were exposed in two other rooms: outside, the Soviets produced an embassy car with a locator device hidden in the dashboard.

Not amused by the Soviet show, President Reagan first responded to questions about the U.S. bugging with a curt comment: "If you want to believe them, go

ahead." Headed for a vacation in California, he added, "I cannot and will not comment on United States intelligence activities." Turning angry, Reagan insisted, "What the Soviets did to our embassy in Moscow is outrageous."

Indeed it was. Yet spying is an old and nasty game among rival nations. The key issue in the sad and still developing Marine espionage scandal was not whether the Soviets had broken some unwritten rule of civilized snooping or what American agents had done to them. A more relevant question was just why

American Marines and State Department officials had permitted the Soviets to compromise U.S. security so thoroughly—and so easily. On that point the many investigations were very much in order.

—By Ed Magnuson.

Reported by James O. Jackson/Moscow and Bruce van Voorst/Washington, with other bureaus

Getting "Snookered"

Contrary to popular belief, the site of the new U.S. embassy in Moscow is not a swamp. But that is one of the few favorable comments the State Department can make about the controversial facility. According to a department report written last year, the swamp legend resulted from "some drainage problems during excavation" of the site. Still, the new chancery is 30 ft. lower than the old one, and evidence of eavesdropping devices has been found in its walls and structural columns.

By most accounts, the project has been jinxed from the time the U.S. and the Soviet Union began discussing a joint agreement to construct new embassies 24 years ago. Throughout the decades of haggling over the plan, the U.S. consistently got the short end of the deal. Says Lawrence Eagleburger, an assistant to the Secretary of State under Richard Nixon: "Every Administration since Johnson got snookered on this."

First came the squabbling over reciprocal sites. The Soviets initially balked when the U.S. offered a location on Washington's Mount Alto, complaining it was too far from the center of town. The U.S. had a similar gripe about the Soviets' suggested American embassy site high atop the Lenin Hills. By the end of the decade, however, the Soviets had accepted Mount Alto; the high ground may have been far from the action, but it did offer an ideal location for eavesdropping equipment. Meanwhile, the U.S. agreed to build in that soggy spot near the Moscow River, primarily because it

was close to the old embassy and only a mile from the Kremlin. "It's a classic case of one part of the Government not talking to the other," says former CIA Deputy Director Bobby Inman. "In the intelligence community, we certainly were aware of the terrific advantage of the Mount Alto location. But the State Department wouldn't listen."

Then commenced the extended bargaining over construction. By 1972 a compromise had taken shape. The interior decoration and finishing of each compound

would be overseen by the country's own teams, but the major construction would be the responsibility of the host country. The intelligence community balked at allowing the Soviets to build the embassy's walls. But President Nixon, who was pursuing a policy of détente with Moscow, instructed the State Department to cut the deal.

Bickering continued over construction details until a final protocol was signed in 1977. Jimmy Carter's CIA director, Stansfield Turner, wanted the Moscow embassy to be built only by U.S. citizens who would be subject to lie-detector tests upon their return home. Carter approved the idea, says Turner, but the departments of State and Defense blocked the plan. "I gave them money out of the CIA budget for security checks and polygraphs," says he, "and they never properly used it." Turner believes the U.S. has a "cultural problem" with Soviet espionage. "Americans just can't get it through their heads that the Soviets will do anything to spy on us," he contends. "Few people in Washington are prepared to pay the price for security."



New embassies: American, top, and Soviet